GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Infrastructure and Investment Department – A.P. State Fibernet Limited - Formation of a Special Purpose Vehicle (SPV) for implementing the Amended BharatNet Program (ABP) in Andhra Pradesh - Orders – Issued.

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INFRASTRUCTURE & INVESTMENT (AIRPORTS) DEPARTMENT

G.O.MS.No. 17 Dated: 05-12-2025

Read the following:

1. D.O.Lr.No.30-50/2023/BharatNet/AP, dt.27.12.2024 of Addl.Secy & Administrator, DBN DoT, MoC, GoI addressed to the Secy to Govt, I&I Dept, GoAP along with a copy of RFP floated by BSNL for implementation of ABP in other States.
2. GoAP Lr.No.INI01-APFN/2/2025-MLO-INI, dt.21.05.2025 addressed to the Administrator, USOF, DBN, DoT, GoI.
3. G.O.Rt.No.56, I&I (Airports) Dept, dt.17.06.2025.
4. Lr.No.30-50/2023/BharatNet/AP, dt.20.06.2025 of the Director (IS-I) DBN, DoT, MoC, GoI.
5. GoAP Lr.No.INI01-APFN/2/2025-MLO-INI, dt.23.07.2025 addressed to the Administrator, USOF, DBN, DoT, GoI.
6. O.M.No.30-50/2023/BharatNet/AP, dt.22.09.2025 of the Director (IS-I) DBN, DoT, MoC, GoI along with enclosures.
7. Lr.No.30-50/2023/BharatNet/AP, dt.25.09.2025 of the Director (IS-I) DBN, DoT, MoC, GoI along with enclosures.
8. e-file APSFL-11068/1/2025-TECH-APSFL, dt.10.10.2025 - Computer No.3000818 of M.D., APSFL.
9. Lr.No.30-50/2023/BharatNet/AP, dt.13.10.2025 of the Director (IS-I) DBN, DoT, MoC, GoI along with enclosures.
10. e-file APSFL-11068/1/2025-TECH-APSFL, dt.04.11.2025 - Computer No.3000818 of M.D., APSFL.
11. e-file APSFL-16021/7/2025-TECH-APSFL, dt.07.11.2025 - Computer No.3029841 of M.D., APSFL.
12. Lr.No.30-50/2023/BharatNet/AP, dt.17.11.2025 of the Director (IS-I) DBN, DoT, MoC, GoI.
13. Govt Lr.No.INI01-APFN/70/2025 (3040071), dt.01.12.2025 addressed to the M.D., APSFL.

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O R D E R:

The BharatNet is a flagship project of Government of India (GoI) funded by Digital Bharat Nidhi(DBN) {formerly known as Universal Service Obligation Fund (USOF)}. The project aims to provide high speed broadband connectivity to all Gram Panchayats (GP) and to extend to the Villages across India. Its primary objective is to bridge the digital divide by providing affordable and reliable internet connectivity to rural and remote areas, thereby enabling access to various e-governance services, healthcare, education, and economic opportunities. The network infrastructure from Block/Mandals to Gram Panchayats created under this project shall be a national asset and accessible on

(P.T.O)

a non-discriminatory basis to all eligible service providers to enable them to provide Telecom services in rural regions. The Project is implemented/being implemented under BharatNet Phase-I & II to connect 1.20 lakh GPs across country through Central Public Sector Units (CPSU) namely, BSNL, PGCIL & RailTel and also through multiple agencies – State led model, CPSU led model and Private led model. The Union Cabinet on 02.08.2023 approved the **Amended BharatNet Program (ABP)** with a total outlay of INR 1,39,579 Crores funded through from USOF. This includes CAPEX cost of INR 42,847 Crores and OPEX cost for ten years for INR 48,717 Crores under Design-Build-Operate-Maintain (DBOM) model to cover the connectivity from Block to 2.64 lakh GPs in ring architecture, and upgrade the existing linear architecture into robust ring topology.

2. The instructions/guidelines/advices issued by the Department of Telecommunications, Ministry of Communications, Government of India from time to time have been duly followed and sought necessary approvals in the matter by the Government of A.P. Vide Lr.dt.21.05.2025 the Government of A.P., have submitted consent to DoT, GoI on the guiding principles for implementation of ABP under the State-led model. Further The Director (IS-I) DBN, DoT, MoC, GoI vide their Lr.dt.20.06.2025 has conveyed the in-principle approval of the competent authority for implementation of the Amended BharatNet Programme (ABP) in Andhra Pradesh, at an approved cost of INR 2,428 Crores (exclusive of taxes). Subsequently, during the Meeting held on 27.06.2025 under the chairmanship of the Administrator (DBN) attended by the Secretary, I&I Dept GoAP, the guiding principles for implementation of ABP under the State-led model were finalized as follows:

- Work in respect of old projects Phase-I and Phase-II will be responsibility of Implementing agency/ State Government.
- New Special Purpose Vehicle (SPV) is to be formed for ABP with equal representation from state/DoT. The Chairman of the SPV shall be the nominee of DoT. CEO of the new SPV shall be from the State Government.
- State Government to give financial/ legal immunity to the new SPV from any litigations/ liabilities of Phase-I and Phase-II.
- New SPV to nominate BSNL as the PMA as per Cabinet decision for ABP. PMA shall help in preparation of estimate and floating the RFP.
- Old Phase-I and Phase-II of the BharatNet network to be transferred to the new SPV on "as-is-where-is" basis
- For utilization of ABP network, a separate arrangement between, SPV, BSNL, State and DoT will be worked over for monetization and revenue sharing of utilization under ABP.

- Further, vide Office Memorandum, dt.22.09.2025, the Director (IS-I) DBN, DoT, MoC, GoI conveyed to the Government of Andhra Pradesh the terms & conditions of the in principle approval granted by the competent authority for implementation of ABP. The ABP aims to merge & upgrade both Phase-I & II of ABP and also further extend it to the unconnected GPs & Villages as approved by Union Cabinet on 04.08.2023. As per the terms & conditions prescribed by the Department of Telecommunications, a new Special

Purpose Vehicle (SPV) is to be formed for implementing the ABP in Andhra Pradesh. The SPV shall have equal representation from the State Government and DoT, GoI wherein the Chairman shall be nominated by the DoT, and the Chief Executive Officer (CEO) shall be from the State Government.

- Accordingly, in their Lrs.dt.13.10.2025 & 17.11.2025, the DoT, GoI has nominated five Directors representing the Government of India for formation of the new SPV for the Amended BharatNet Project. GoAP also nominated five Directors representing the Government of Andhra Pradesh for the proposed SPV on 23.10.2025 and following is the list of nominated Directors representing the Government of India and Government of Andhra Pradesh for the SPV (BharatNet – State-led Model):

List of Directors Representing the Government of India	List of Directors Representing the Government of Andhra Pradesh
1.Administrator, Digital Bharat Nidhi (DBN) – *Ex-officio Chairman*	1.Special Chief Secretary to Government, I & I Department
2.Chief General Manager (Telecom), BSNL, Andhra Pradesh – *Ex-officio Director*	2.Special Chief Secretary to Government, Energy Department
3.Special Director General (Telecom), Andhra Pradesh – *Ex-officio Director*	3.Principal Secretary to Government, Finance Department
4.Controller of Communication Accounts, Andhra Pradesh – *Ex-officio Director*	4.Secretary to Government, ITE&C Department
5.Prof. Ravi Gangwar, Professor, Dept., of Electronics Engg, IIT (ISM), Dhanbad, Nominated Director (Domain Expert)	5.Managing Director, Andhra Pradesh State FiberNet Ltd.

3. In their proposals 10th & 11th read above, the Managing Director, A.P. State Fibernet Limited has requested GoAP for the formation of the new Special Purpose Vehicle (SPV) and for implementation of the Amended BharatNet Project (ABP) in Andhra Pradesh, including operational autonomy to the State for designing and implementing the Business and Service Delivery model within the newly established Special Purpose Vehicle (SPV).

4. Government, after careful consideration and in pursuance to guiding principles of DoT, GoI issued vide 6th read above hereby approve the following:

(i) formation of new Special Purpose Vehicle (SPV) titled as **"Andhra Pradesh BharatNet Infrastructure Limited (APBIL)"** approved vide Government letter 13th read above for implementation of the Amended BharatNet Project (ABP) in Andhra Pradesh, with equal representation of five Board Members from the State Government and DoT, GoI respectively as indicated in the Table under para 2 above.

(ii) Request to be made to the Government of India to grant the Government of Andhra Pradesh for Operational autonomy in designing and implementing the Business and Service Delivery model within the newly established SPV.

(iii) Request to be made to the Government of India for change in Clause 4. (xviii) of the "In-Principle Approval for ABP". In the current clause it is mentioned that "BSNL will provide ILL to all 664 Blocks of the State". GoAP requests to nominate APSFL as the agency for provisioning of ILL to all 664 Blocks instead of BSNL.

(iv) To release the tender on behalf of the newly proposed SPV for the implementation of the Amended BharatNet Program in the State of Andhra Pradesh, as per the Government of India's in-principle approved budget INR 2,428 Cr. (exclusive of taxes)., which includes:

- Upgradation of the existing BharatNet Phase-I network.
- Connecting the newly identified Gram Panchayats with an IP-MPLS ring architecture (approximately 480 GPs).
- Undertaking Operations & Maintenance of the entire BharatNet network along with the APSFL Phase-I network, through a single EPC contractor, to ensure seamless and unified network operations across the State. (APSFL Phase-I O&M estimate is additional, and the O&M cost for APSFL Phase-I shall be borne by APSFL.)

5. The Managing Director, A.P. State Fibernet Limited shall take necessary follow-up action towards formation of SPV as laid down under Companies Act, 2013 accordingly.

6. This order issues with the concurrence of Finance Department vide their U.O.No.FIN01-FMU0ASD(IIE)/61/2025-FMU-IC-IIE (Computer.No.3031463), dt.09.11.2025.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

MOVVA TIRUMALA KRISHNA BABU
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To
The Managing Director, A.P. State Fibernet Limited, Vijayawada.
Copy to:
The Director (IS-I), Department of Telecommunications, Ministry of Communications, Government of India, New Delhi.
The Directors of SPV through APSFL., A.P. Vijayawada.
The Finance (Expenditure) Department.
The General Administration (Cabinet) Department.
The P.S. to Secretary to Hon'ble Chief Minister, GoAP.
The P.S. to Minister (I&I) Department.
The P.S. to Chief Secretary to Government.
The P.S. to Special Chief Secretary to Government I&I Department.
SF/SC.(INI01-APFN/2/2025, Computer.No.2723758)

//Forwarded :: By Order//

SECTION OFFICER